

Prepared by

Dr. Md.Haider Ali, Assistant Professor

Dept.of History, R.B.G. R. College

Maharajganj, JPU, Chapra

Discuss the features of Permanent Settlement, introduced by Lord Cornwallis in 1793

Permanent settlement Prior to the arrival of Lord Cornwallis in India, no permanent settlement was made in Bengal in the sphere of revenue administration. Cornwallis was the first Governor General who paid his attention to the revenue reforms and attained a great success and tremendous fame. It was the permanent reform of Cornwallis in India. At the time of appointment of Cornwallis as governor General the condition of the farmers of India was very deplorable and the land revenue system of the East India Company was ridden with defects. Hence, Cornwallis resorted to Permanent Settlement for the good of the farmers. When Cornwallis arrived in India, the land revenue system was as follows: 1. The farmers had to pay cultivation tax to the Government. 2. The system of annual settlement was in Vogue. Hastings had introduced the Five-Year Settlement according to which the right of realisation of tax was given to the highest bidder for five years on contract basis. But there was a great problem in this system in as much as that at the time of auction, the contractors to make such a high bid, that they failed to deposit the amount of the bid in the royal treasury. Therefore this system was converted into annual system on contract basis but this alternative made the situation all the more intricate the new contractors who had no experience of realisation of the tax could not control the situation. The contract system proved harmful for both the peasants and the company and the productivity of the land began to decrease rapidly. Hence the weaknesses of the annual system were clearly apparent at the time of the appointment of Cornwallis. In order to improve the deplorable condition of the peasants and the company, Cornwallis started this system which came to be known as permanent settlement. This permanent settlement continued in India till India achieved freedom. Its chief aim was to impart stability to the revenue system. Keeping in view all these advantages, the scheme of permanent settlement was introduced in Bengal for the good of the people. The East India Company permitted Cornwallis to implement the permanent settlement in Bengal. It was ordered that first, he should make the revenue settlement with the peasants for ten

years and later on, this system should be made permanent. Hence, on 10th February, 1790, ten year's settlement was introduced. It was also declared on this occasion that it would be made permanent as soon as the permission of the Board of Directors had been obtained. Cornwallis received the permission of the British government in 1793 A.D. and the Permanent Settlement was enforced on 23rd 1793 A.D. Before the commencement of the tenure of Cornwallis, the landlords were not considered to be the owners of the land. By the permanent settlement, the landlords were accepted to be the owners of the land in place of peasants. The revenue of Tie Company was decided and it began to be realized from the landlords instead of from the farmers. The revenue which was to be paid by the landlords was fixed once for all. There was no possibility of making a change in it. So long, the landlords continued to pay the revenue in time, they remained the owners of their land. The revenue which was to be paid by the peasants to the landlords was also fixed through patty system. The landlord had no right to make any enhancement or reduction in i without the permission of the Court. Outardly, this system of permanent settlement looked to be purely an economic system but actually, it gave birth to a social revolution. It gave rise to a new class of potentates, Talluqdars and landlords who soon established their control on the Indian society. Cornwallis introduced this permanent settlement with great patience. There were two reasons behind this. Firstly, the psychological reason was that Cornwallis was greatly impressed by zamindari system of England and while solving the social and economic problems of India, he thought it worthwhile to establish a powerful feudal system in India also in order to keep control over the peasants and to strengthen the economic position of the country. Secondly, the English officers were fed up with the problem of realisation of tax every year. It made the income of the company indefinite, so he thought it essential to introduce the permanent settlement.

Merits and Demerits of the Permanent Settlement: Scholars hold different opinions about the merits and demerits of the Permanent Settlement. Mr.Marshman has written, "It was a bold, brave and wise measure." Whereas Mr.Holmes writes, "The permanent settlement was a sad blunder." In the same way several other historians hold divergent opinions about its merits and demerits.

Merits of Permanent Settlement: 1. With the implementation of Permanent Settlement the condition of the peasants improved a lot and their fields began to produce rich crops. The improvement in agriculture also influenced the trade and commerce of the country. As a result of this all round progress, the province of Bengal became the most prosperous one. It

was also relieved from the famines Economics prosperity of Bengal helped the rise of art and literature. In this way the education and culture developed in Bengal. 2. The Government of the company was benefited a lot by the Permanent Settlement. The political advantages of the English made this settlement all the more significant. All the landlords who became the owners of the land felt obliged to the English Government and became its true supporters as the time of revolt. Owing to the liberal view of the Government their separate category was formed and they began to earn ample of money without any effort or labour. 3. With the passage of time the rich landlords began to invest their wealth in trade and commerce. Although the government could not increase the revenue in future yet the flourishing trade enabled the English to impose some fresh taxes on the traders and thus they earned a lot of wealth through new tax levied on these landlords. Besides this, the Permanent Settlement led India towards modernisation in the sphere of revenue system. 4. It freed the English government of the problem of fixation of revenue every year. Moreover, the income of the government was fixed once for all, which enabled it to make its planning according to its resources of income. In case, the landlords did not make payment of their tax, the loss was made good by selling a part of the land of the zamindar. 5. The implementation of the permanent settlement also benefited the peasants. So far, they were forced to pay more and more to the landlords but now their revenue and also fixed through a patty agreement deed which saved them from the harassment from the landlords. 6. It not only increased the agricultural produce but also enhanced the area under cultivation. 7. So far, a large number of employees were involved in the revenue administration of the company but the implementation of the permanent settlement enabled them to devote their services to the other department of the company as there was no work in this department now.

Demerits of the Permanent Settlement: On the other hand there are some scholars who hold the opinion that the Permanent Settlement adversely affected the interests of the landlords, peasants and the company alike. Actually, this settlement proved defective due to the following reasons. 1. The Permanent Settlement adversely affected the income of the company as the revenue was fixed quite on the low side due to lack of proper measurement. 2. It benefited only the landlords and the condition of the farmers could not be improved as much as was expected. The poor farmers continued to be the victims of the harassments of the landlords who exploited them for their own selfish motives. 3. The British government expected that with the implementation of permanent settlement the income of the company would increase tremendously but their expectations were not fulfilled. 4. This settlement also

proved harm full for the landlords who failed to deposit the required revenue in the royal treasury in time. As a result, their land was sold off. 5. The landlords became indolent and led luxurious lives due to their richness. They did not pay proper attention to their lands and left them to their employees who made no serious efforts for the improvement of agricultural produce. 6. The peasants continued to be at the receiving end of the cruelties of the landlords. They continued to realise the maximum revenue from the peasants and deposited only the minimum in the treasury of the company. 7. It hurt the national feeling of the people because this system created a special class of zamindars in the country who became the true devotees of the English. This class did not support the people during the war of independence. 8. It was really a great mistake on the part of Cornwallis that he deprived the majority of the cultivators of the right of ownership of land and made the landlords owners of the land. Sir Charles Metcalfe writes about it, "Cornwallis instead of being the creator of prosperity in India was the great destroyer of it." Mr.Beveridge also comments in this context, 'A very grave blunder as well as gross injustice was committed when a settlement was made with the landlords alone and the rights of the farmers were completely ignored.' Dr. Ishwari Prasad remarks about Permanent Settlement, "The Permanent Settlement also sacrificed the future interest of the state and deprived it of the right of increased revenue resulting from increased prosperity."